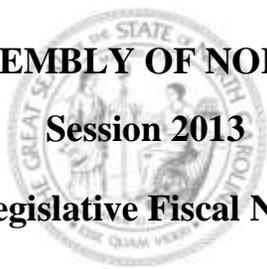


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2013

Legislative Fiscal Note

REVISED

BILL NUMBER: House Bill 951 (First Edition)

SHORT TITLE: Eliminate Tax Designation for Political Party.

SPONSOR(S): Representatives Riddell, Whitmire, Burr, and Brody

FISCAL IMPACT					
(\$ in millions)					
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Estimate Available					
State Impact	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
State Board of Elections					
General Fund Revenues:	2.0	2.0	2.0	2.0	2.0
General Fund Expenditures:					
Special Fund Revenues:	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Special Fund Expenditures:	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
State Positions:					
NET STATE IMPACT	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0
Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
State Board of Elections					
EFFECTIVE DATE January 1, 2013					
TECHNICAL CONSIDERATIONS:					
None					

REVISION NOTE: This note has been revised to accurately reflect the use of the funds within the State Board of Elections. The prior note included 1.52 positions; however, this particular fund does not support those positions.

BILL SUMMARY:

House Bill 951 would repeal GS 105-159.1 which allows for a designation of tax by individuals to the North Carolina Political Parties Financing Fund. The funds go to the political party designated by the taxpayer.

ASSUMPTIONS AND METHODOLOGY:

A taxpayer whose income tax liability is \$3 or more may designate \$3 of the tax to the North Carolina Political Parties Financing Fund. Couples who are filing a joint return may designate \$3 each if their tax liability is at least \$6.

Based on the most recent Biennial Tax Expenditure Report produced by the NC Department of Revenue, the annual revenue that is designated for the Fund is approximately \$2 million. H951 would not affect revenue collections, but would eliminate the designation of tax revenue for this purpose. Because the funds would remain in the General Fund instead of being designated to the NC Political Parties Financing Fund, the result is a \$2 million increase to the General Fund.

State Board of Elections (SBOE)

These revenues support the Political Parties Financing Fund and the NC Presidential Election Year Fund. In 2012, SBOE paid out over \$2.5 million for these purposes. Below is the breakout of the funds for 2012.

- Political Parties Financing Fund \$1,219,562
- NC Presidential Election Year Fund \$1,322,995

SOURCES OF DATA: State Board of Elections

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

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Fiscal Research Division

DATE: June 13, 2013



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